



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 17, 2007
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

**U.S. FREIGHT FORWARDER PLEADS GUILTY TO CRIMINAL
CHARGES INVOLVING THE MILITARY'S PROGRAM
FOR SHIPMENT OF HOUSEHOLD GOODS**

WASHINGTON — An Oregon-based freight forwarder pleaded guilty to rigging bids and allocating shipments for its role in a conspiracy involving its participation in the U.S. Department of Defense (DOD) program for shipping the household goods of military and civilian DOD personnel between the United States and foreign countries, the U.S. Department of Justice announced today.

Criminal charges were filed today in U.S. District Court in Alexandria, Va. against Lift Forwarders Inc. (Lift). Under the terms of a plea agreement, Lift pleaded guilty to participating in a conspiracy to restrain trade, in violation of the Sherman Antitrust Act, and agreed to pay a \$140,000 criminal fine.

Lift is the eighth company to be charged in the Department's investigation into anticompetitive and fraudulent conduct related to the DOD International Through Government Bill of Lading (ITGBL) program. Criminal fines in excess of \$12 million have thus far been imposed on seven companies.

Under the ITGBL program, freight forwarders file rates with DOD to transport the household goods of military and civilian DOD personnel between the United States and foreign countries. The companies filing the lowest rates are awarded shipments of household goods to transport during a six-month summer or winter "cycle." In recent years, DOD has spent hundreds of millions of dollars annually to transport the household goods of its military and civilian personnel between the United States and foreign destinations.

"These charges and fines serve as a reminder that we will prosecute those who seek to deny the military the ability to purchase services in a competitive market," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division.

According to the felony charge, Lift and another U.S. freight forwarder conspired from May 2000 until September 2001 to file rates with DOD at collusively determined levels. As part of the scheme, Lift also agreed to allow its co-conspirator to handle the shipments awarded to Lift by DOD, in exchange for a commission of \$1 per hundredweight shipped by its co-conspirator.

Lift is charged with violating Section One of the Sherman Antitrust Act, which, at the time of the offense, carried a maximum penalty of a \$10 million fine for corporations. The maximum fine level for this offense may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

In addition to Lift, the following companies have been charged with and pleaded guilty to criminal offenses in the Eastern District of Virginia as a result of the investigation:

- On July 31, 2007 – Air Van Lines International Inc., was charged with two counts of engaging in a scheme to conceal a material fact and agreed to pay a criminal fine of \$143,040;
- On Sept. 27, 2006 – Ryan’s World Inc., headquartered in Long Beach, Calif., was charged with making false statements in documents filed with DOD. It was sentenced to pay a \$120,000 fine;
- On March 20, 2006 – Executive Relocation International Inc., headquartered in Woodbridge, Va., was charged with conspiracy to restrain trade. It was sentenced to pay a \$72,600 fine;
- On Feb. 24, 2006 – Allied Freight Forwarding Inc., headquartered in Westmont, Ill., pleaded guilty to two separate conspiracies to restrain trade. It was sentenced to pay a \$1.04 million fine;
- On April 29, 2004 – Cartwright International Van Lines Inc., headquartered in Grandview, Mo., pleaded guilty to conspiracy to restrain trade. It was sentenced to pay a \$250,000 fine; and
- On Feb. 18, 2004, the Department filed superseding charges against Belgium-based Gosselin World Wide Moving N.V. and The Pasha Group, headquartered in Corte Madera, Calif., for conspiracy to restrain trade and conspiracy to defraud the government. In 2006, after their convictions were affirmed by the Fourth Circuit Court of Appeals, Gosselin was sentenced to pay a \$6 million fine, and Pasha a \$4.6 million fine.

Today’s charge is an example of the Department’s commitment to protect U.S. taxpayers from public procurement fraud through its creation of the National Procurement Fraud Task Force. The National Procurement Fraud Initiative announced in October 2006 is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs.

The investigation into contractor conduct related to the ITGBL program is being conducted by the National Criminal Enforcement Section of the Antitrust Division, the DOD

Office of Inspector General, Defense Criminal Investigative Service and the Army Criminal Investigation Division. Anyone with information concerning price fixing, bid rigging or fraud in the military moving and storage industry is urged to call the National Criminal Enforcement Section of the Antitrust Division at 202-307-6694.

###

07-830